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Governor

DIVISION OF WORKFORCE DEVELOPMENT

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April 28, 2003

DWD ISSUANCE 05-02

Subject: Program Year 2003 (PY'03)/Fiscal Year 2004 (FY'04) Workforce Investment Act (WIA) Formula Allocations for Adult, Youth, and Dislocated Worker Programs to Local Workforce Investment Boards (LWIBs).

1. **Purpose:** To provide funding information for completion of modifications to the Local Workforce Investment Act Plans for PY'03 and FY'04 WIA funding.
2. **Substance:** Attachment 1 provides the PY'03/FY'04 WIA Title I-B Adult formula fund allocation.

Missouri's PY'03 Adult allotment is \$3,170,299 of which 85 percent is allocated to the LWIBs in the amount of \$2,694,754. Missouri's FY'04 Adult allotment is \$12,085,217 of which 85 percent is allocated to the LWIBs in the amount of \$10,272,435. Adult PY'03 allocations are available July 1, 2003 and Adult FY'04 allocations are available October 1, 2003. LWIBs may request to transfer up to 30 percent each of the PY'03 and FY'04 Adult Program funding to the respective PY'03 and FY'04 Dislocated Worker Program funding. Previous allotments retain the 20 percent maximum.

Attachment 2 provides the PY'03 WIA Title I-B Youth formula fund allocation.

Missouri's PY'03 Youth allotment is \$16,181,718 of which 85 percent is allocated to the LWIBs in the amount of \$13,754,461. PY'03 Youth allocations are available April 1, 2003. There is no authority for LWIBs to transfer funds to or from the Youth activity program. In accordance with 20 CFR 664.320 of the WIA Final Regulations, a minimum of 30 percent of the LWIB Youth allocation, excluding amounts set aside for local administration from the Youth allocation, must be budgeted and expended for out of school youth activities.

Attachment 3 provides the PY'03/FY'04 WIA Title I-B Dislocated Worker formula fund allocation.

Missouri's PY'03 Dislocated Worker allotment is \$4,522,455 of which 60 percent is allocated to the LWIBs in the amount of \$2,713,473. Missouri's FY'04 Dislocated Worker allotment is \$12,909,452 of which 60 percent is allocated to the LWIBs in the amount of \$7,745,672. Dislocated Worker PY'03 allocations are available July 1, 2003 and Dislocated Worker FY'04 allocations are available October 1, 2003. LWIBs may request to transfer up to 30 percent each of the PY'03 and FY'04 Dislocated Worker Program funding to the respective PY'03 and FY'04 Adult Program funding. Previous allotments retain the 20 percent maximum.

Attachment 4 provides PY'03 WIA Title I-B Adult, Youth and Dislocated Worker funding combined to aid in the completion of the Planning Budget Summary for WIA funds.

Attachment 5 provides FY'04 WIA Title I-B Adult and Dislocated Worker funding combined to aid in the completion of the Planning Budget Summary for WIA funds.

Attachment 6 is a revised Planning Budget Summary for WIA funds to be used to budget funds included in this issuance. A separate Planning Budget Summary must be completed for each year of funding designated as program year and fiscal year.

The 2003 Adult and Youth allocations reflect incentives awarded to the regions for achieving their 2002 performance measures, as well as sanctions for failing to achieve the negotiated level for a specific performance indicator and/or a 100 percent cumulative program area score for PY'00 and PY'01. Incentives and sanctions were made in accordance with the Missouri Training and Employment Council's Policy as outlined in DWD Issuance 19-01 and a memorandum from Rick Beasley dated March 28, 2003.

As indicated above, authority to make transfers between Adult and Dislocated Worker programs was increased from the previous 20 percent maximum to a 30 percent maximum. The new limitation contains the same language requiring the Governor's concurrence to authorize the transfer. Based upon the increase in dislocations across the state in recent months, the Division of Workforce Development (DWD) believes that it will be very difficult for any region within the state to make a convincing argument for transferring Dislocated

Worker funding to support the Adult program. We do not mean to imply a lesser concern for the adult, economically disadvantaged population but we do not have the compelling data at our disposal to make any general comments on transfers of Adult funds to support Dislocated Workers.

3. Action: This information should be used to develop the Planning Budget Summaries for all funding as identified and included in Attachments 1 through 3. A separate Planning Budget Summary must be submitted for PY'03 funds (Attachment 4) and FY'04 funds (Attachment 5). The LWIB should prepare a plan modification in accordance with DWD Issuance 01-00, Change 3 to include these funds and make other necessary changes to the local plan.

The LWIB is reminded that for any transfer requested, additional plan narrative information is to be submitted as part of the local plan modification. Such transfer plan narrative information requirements may be found in the State of Missouri's Workforce Investment Act Plan. It is also referenced in the Local Area Planning Guidance as transmitted by DWD dated January 17, 2003.

PY'03 WIA Youth funds (Attachment 2) are available April 1, 2003. PY'03 Adult and Dislocated Worker funds (Attachments 1 and 3) are available July 1, 2003. FY'04 Adult and Dislocated Worker funds (Attachments 1 and 3) are available October 1, 2003. The Local Workforce Investment Area Plan Modification should include a properly prepared Planning Budget Summary. Summaries must be submitted as soon as possible for WIA funds for PY'03 and FY'04. A fully signed contract agreement including these funds and the Planning Budget Summary must be available before the release of requested funds by the division.

4. Contact: Please contact Rita Holtmeyer at (573) 751-7797 if you have any questions regarding the calculation of the PY'03/FY'04 allocations. Contact Jerry Tharp at (573) 751-7897 if you have any questions regarding the use of this issuance in preparing your WIA plan modification.

5. Cross/Historical: Workforce Investment Act Sections 182,127(b)(1)(C), and 132(b)(1)(B) and (2)(B). Historical references include DWD Issuance 01-00, Change 3 and DWD Issuance 14-01.

Rick Beasley, Director

RB/mw

Attachments

- c: DWD Administration Team
 DWD Central Office Managers
 Regional Managers
 WIB Chairs
 WIB Contacts